



Trade Facts

Office of the United States Trade Representative

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NAFTA At Ten: A Success Story

- NAFTA has been a huge success for the U.S. and its NAFTA partners. It has helped Americans work smarter, earn more and increase purchasing power. It has contributed to more trade, higher productivity, better jobs, and higher wages.
- In ten years of NAFTA, total trade among the three countries has more than doubled, from \$306 billion to \$621 billion in 2003. That's \$1.7 billion in trade every day.
- U.S. exports to Canada and Mexico grew from \$142 billion to \$263 billion in NAFTA's first ten years. And Mexican exports to the U.S. grew 242 percent, improving lives and reducing poverty in Mexico.
- Some claimed NAFTA would contribute to U.S. industrial decline and a "giant sucking sound." But after NAFTA was passed in 1993:
 - U.S. manufacturing output soared in the 1990s, up 44% in real terms.
 - U.S. employment grew over 20 million between 1993 and 2000.
 - For private sector U.S. workers, real hourly compensation rose by 14.7% from 1993 to 2003 (2nd quarter to second quarter); in the 10 years preceding NAFTA the increase was 10.6%, or over a quarter less. U.S. manufacturing wages increased dramatically, with real hourly compensation up by 14.4% in the 10 years since NAFTA, more than double the 6.5% increase in the 10 years preceding NAFTA.
 - Income gains and tax cuts from NAFTA were worth up to \$930 each year for the average U.S. household of four.
- By the end of 2002, U.S. exports to Mexico of passenger vehicles and light trucks totaled \$3.6 billion, 38 times greater than shipments in 1993.
- 80% of the increase in the U.S. manufactures trade deficit in the last three years is attributable to reduced exports and weak demand overseas, not increased imports.
- For Mexicans, NAFTA has resulted in expanded exports, higher wages for Mexican workers, more foreign investment, and a stronger agriculture sector:
 - Mexico exported \$143 billion to its NAFTA partners in 2001, an increase of 232 percent from 1993... twice as fast as export growth to the rest of the world.

- Growth in Mexican exports accounted for more than half of the increase in Mexico's real national income during the period from 1993 to 2001. One of every five people in Mexico is employed in export-oriented jobs, and fully half of the 3.5 million new jobs generated in Mexico in 1995-2000 were a result of NAFTA and export growth.
- Employment in Mexico's export sector pays 37 percent more than jobs in the rest of the Mexican manufacturing sector.
- U.S. agricultural exports increased by 100.4 percent to Mexico from 1993 to 2002. While NAFTA is criticized for "hurting Mexican farmers", in fact Mexican farm production increased by 50 percent from 1993 to 2001.